

Indirect Support Services

Analyst: Holland-Smith

Historical Summary

OPERATING BUDGET	FY 2004 Total App	FY 2004 Actual	FY 2005 Approp	FY 2006 Request	FY 2006 Gov Rec
BY FUND CATEGORY					
General	16,370,300	18,104,300	16,486,900	18,928,700	18,770,800
Dedicated	3,461,500	3,682,700	501,300	529,300	529,300
Federal	22,681,000	20,615,000	22,778,800	17,551,800	17,421,900
Total:	42,512,800	42,402,000	39,767,000	37,009,800	36,722,000
Percent Change:		(0.3%)	(6.2%)	(6.9%)	(7.7%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,472,500	17,076,000	17,805,600	21,595,900	21,532,600
Operating Expenditures	24,321,300	24,449,300	21,961,400	15,370,000	15,189,400
Capital Outlay	719,000	876,700	0	43,900	0
Total:	42,512,800	42,402,000	39,767,000	37,009,800	36,722,000
Full-Time Positions (FTP)	211.82	300.32	297.83	350.33	350.33

Division Description

Indirect Support provides administrative functions for the Department of Health and Welfare. The Office of the Director provides central policy direction. Regional directors direct day-to-day activities throughout the state. The Office of Legal Services provides legal advice, monitoring and litigation services. The Division of Management Services manages the budget cash flow, controls the accounting and reporting process, performs internal reviews, manages physical assets, and processes all personnel actions. The Division of Information Systems plans and operates all data processing activities. Finally, the Division of Human Resource Services includes civil rights, workforce development, recruitment, process and system research, and employee relations.

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2005 Original Appropriation	297.83	16,486,900	39,767,000	297.83	16,486,900	39,767,000
Reappropriations	0.00	0	2,395,700	0.00	0	2,395,700
HB 805 One-time 1% Salary Increase	0.00	87,400	158,800	0.00	87,400	158,800
7. IT Contractors to State Staff	21.00	484,600	881,100	21.00	484,600	881,100
8. IT Contractors - Savings Generated	0.00	(80,800)	(161,500)	0.00	(80,800)	(161,500)
Governor's Rescission	0.00	0	0	0.00	(221,400)	(420,100)
FY 2005 Total Appropriation	318.83	16,978,100	43,041,100	318.83	16,756,700	42,621,000
Non-Cognizable Funds and Transfers	2.50	300,000	(5,167,800)	2.50	300,000	(5,167,800)
FY 2005 Estimated Expenditures	321.33	17,278,100	37,873,300	321.33	17,056,700	37,453,200
Removal of One-Time Expenditures	0.00	(225,700)	(5,467,900)	0.00	(225,700)	(5,451,500)
Base Adjustments	0.00	0	0	0.00	221,400	403,700
FY 2006 Base	321.33	17,052,400	32,405,400	321.33	17,052,400	32,405,400
Benefit Costs	0.00	154,100	280,200	0.00	119,300	216,900
Inflationary Adjustments	0.00	99,300	180,600	0.00	0	0
Replacement Items	0.00	23,800	43,900	0.00	0	0
Nonstandard Adjustments	0.00	158,500	317,200	0.00	158,500	317,200
Annualizations	20.00	869,600	1,545,100	20.00	869,600	1,545,100
Change in Employee Compensation	0.00	98,800	179,700	0.00	98,800	179,700
27th Payroll	0.00	347,500	631,800	0.00	347,500	631,800
FY 2006 Program Maintenance	341.33	18,804,000	35,583,900	341.33	18,646,100	35,296,100
7. Citibank Call Center Relocation	0.00	124,700	267,600	0.00	124,700	267,600
14. Criminal History Checks	9.00	0	1,158,300	9.00	0	1,158,300
FY 2006 Total	350.33	18,928,700	37,009,800	350.33	18,770,800	36,722,000
Change from Original Appropriation	52.50	2,441,800	(2,757,200)	52.50	2,283,900	(3,045,000)
% Change from Original Appropriation		14.8%	(6.9%)		13.9%	(7.7%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2005 Original Appropriation	297.83	16,486,900	501,300	22,778,800	39,767,000

Reappropriations

Reappropriation authority -- otherwise known as carry over -- allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the FY 2005 Base. Carry over requires specific legislative authorization and must be approved every year. Few appropriations receive reappropriation authority.

Agency Request	0.00	0	2,395,700	0	2,395,700
Governor's Recommendation	0.00	0	2,395,700	0	2,395,700

HB 805 One-time 1% Salary Increase

Agency Request	0.00	87,400	0	71,400	158,800
Governor's Recommendation	0.00	87,400	0	71,400	158,800

7. IT Contractors to State Staff

This request is to begin converting IT contract staff to state employees beginning in September 2004. The plan is to hire five staff in September, five in November, six in February, and five in May for a total of 21 new employees this fiscal year. If this plan is approved an additional 20 would be converted over the coming fiscal year 2006. The department would like to use the savings generated throughout the agency's operating budget to fund the personnel costs. This proposal requests \$629,600 in personnel costs, of which \$346,300 is General Funds and \$283,300 is federal funds; and \$251,500 in one-time operating expenditures to train the new staff, of which \$138,300 is from the General Fund and \$113,200 is federal funds. The fund match is 55% General - 45% federal.

Agency Request	21.00	484,600	0	396,500	881,100
Governor's Recommendation	21.00	484,600	0	396,500	881,100

8. IT Contractors - Savings Generated

The department is requesting that the following amounts be transferred from various division operating budgets to convert IT contract staff to state employees:

	GENERAL	FEDERAL
Indirect Support Service	(\$80,800)	(\$80,700)
Public Health Services	(40,400)	(121,100)
Self-Reliance Programs	(198,300)	(242,300)
Children's Services	(101,200)	(101,200)
Community Mental Hlth	(67,300)	
TOTAL	(\$488,000)	(\$545,300)

The combination of supplemental 1. and 2. will save the department \$3,400 from the General Fund, and save \$148,800 in federal funds during the first year of implementation.

Agency Request	0.00	(80,800)	0	(80,700)	(161,500)
Governor's Recommendation	0.00	(80,800)	0	(80,700)	(161,500)

Governor's Rescission

Agency Request	0.00	0	0	0	0
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The Governor recommends removal of \$16,400 from the General Fund not needed to implement HB 805. In addition, the Governor recommends removal of risk management funding in excess of needs calculated by the Department of Administration.

Governor's Recommendation	0.00	(221,400)	0	(198,700)	(420,100)
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Indirect Support Services

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2005 Total Appropriation					
Agency Request	318.83	16,978,100	2,897,000	23,166,000	43,041,100
Governor's Recommendation	318.83	16,756,700	2,897,000	22,967,300	42,621,000

Non-Cognizable Funds and Transfers

The agency is transferring 1.00 FTP from Physical Health Services, 1.00 from ISSH, and .50 FTP from Children's Services to Indirect Support Services; and transferring in \$78,200 from the General Fund for employee termination leave payoffs throughout the department, \$66,200 for fair hearings associated with eligibility, and \$155,600 for EBT transactions (welfare payments) from Self-Reliance.

The department is increasing spending authority by \$28,000 in the dedicated portion of the Cooperative Welfare Fund to account for increased revenues, increasing federal funds by \$2,633,900 on a one-time basis to match the Reappropriation, and reducing the ongoing operating expenditures by \$8,129,700 in federal funds to match the anticipated level of actual funding.

	FTP	PC	OE	CO
General		78,200	221,800	
Dedicated	2.50	28,000		
Federal			(8,129,700)	
Federal - OT			2,310,100	323,800
TOTAL	2.50	\$106,200	(\$5,597,800)	\$323,800

Agency Request	2.50	300,000	28,000	(5,495,800)	(5,167,800)
Governor's Recommendation	2.50	300,000	28,000	(5,495,800)	(5,167,800)

FY 2005 Estimated Expenditures					
Agency Request	321.33	17,278,100	2,925,000	17,670,200	37,873,300
Governor's Recommendation	321.33	17,056,700	2,925,000	17,471,500	37,453,200

Removal of One-Time Expenditures

Removes reappropriations, non-cognizable fund increases, and the one-time salary increase provided in HB 805.

Agency Request	0.00	(225,700)	(2,423,700)	(2,818,500)	(5,467,900)
Governor's Recommendation	0.00	(225,700)	(2,423,700)	(2,802,100)	(5,451,500)

Base Adjustments

Agency Request	0.00	0	0	0	0
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Restore risk management rescission to the base.

Governor's Recommendation	0.00	221,400	0	182,300	403,700
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FY 2006 Base					
Agency Request	321.33	17,052,400	501,300	14,851,700	32,405,400
Governor's Recommendation	321.33	17,052,400	501,300	14,851,700	32,405,400

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 9.7% or \$632 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees and by 5.7% from 10.73% to 11.34% of salary for police and firefighters. Other benefit changes include a reduction in unemployment insurance rates, a reduction in Division of Human Resources rates for classified employees, and an increase in workers compensation rates.					
Agency Request	0.00	154,100	0	126,100	280,200
<i>The Governor does not recommend increases related to changes in the Public Employee's Retirement System.</i>					
Governor's Recommendation	0.00	119,300	0	97,600	216,900
Inflationary Adjustments					
Includes a general inflationary increase of 1.3% in operating expenditures.					
Agency Request	0.00	99,300	0	81,300	180,600
<i>The Governor recommends no increase for general inflation.</i>					
Governor's Recommendation	0.00	0	0	0	0
Replacement Items					
Replacement Items include \$12,900 for one sedan, and \$31,000 for 60 desktop computers.					
Agency Request	0.00	23,800	0	20,100	43,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
Nonstandard Adjustments					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General, State Controller and State Treasurer services. Also included are changes in property and casualty insurance premiums and the cost of office space leased to state agencies by the Department of Administration. Attorney General fees are reduced by \$14,300, building services space charge increased by \$31,100, risk management reduced by \$27,900, State Controller fees increased by \$288,800, State Treasurer fees increased by \$7,000, and non-state office rent reduced by \$4,500. The department is requesting \$9,000 for alteration and repair projects to 1) replace cement stairs at Blackfoot townhouse - \$5,000, and 2) install eye wash stations at Blackfoot townhouse - \$4,000. A request is also made to make ongoing the non-cognizable spending increase of \$28,000 in personnel costs from dedicated funds authorized in FY 2005.					
Agency Request	0.00	158,500	28,000	130,700	317,200
Governor's Recommendation	0.00	158,500	28,000	130,700	317,200

Indirect Support Services

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Annualizations

1) IT CONTRACTORS TO STATE STAFF: This request is to continue converting IT contract staff to state employees beginning in August 2005. The plan is to hire four staff in August, five in November, four in February, and seven in May for a total of 20 new employees in FY 2006. The department would like to use the savings generated throughout the agency's operating budget to fund the personnel costs. This proposal requests \$1,505,400 in personnel costs of which \$827,900 is General Funds and \$677,500 is federal funds; and \$438,500 in one-time operating expenditures to train the new staff of which \$241,200 is from the General Fund and \$197,300 is federal funds. The fund match is 55% General to 45% federal. The increased cost to this Division is $(\$1,069,100 + \$874,800) - (\$199,500 + \$199,300) = \$1,545,100$.

	GENERAL	FEDERAL	TOTAL
Indirect Support Services	\$1,069,100	\$874,800	\$1,943,900

2) IT CONTRACTORS SAVINGS - ALL DIVISIONS:

	GENERAL	FEDERAL	TOTAL
Indirect Support Services	(\$199,500)	(\$199,300)	
Physical Health Services	(60,500)	(181,500)	
Self-Reliance Programs	(469,000)	(573,200)	
Children's Services	(301,200)	(301,100)	
Community Mental Hlth	(53,300)		
Medical Assistance Svcs	(52,100)	(52,100)	
TOTAL	(\$1,135,600)	(\$1,307,200)	(\$2,442,800)

NET SAVINGS IN FY 2006 FOR ALL DIVISIONS:

	GENERAL	FEDERAL	TOTAL
TOTAL	(\$66,500)	(\$432,400)	(\$498,900)

It will save the department an additional \$66,500 from the General Fund and \$432,400 in federal funds in FY 2006 for a total savings of \$208,200 from the General Fund and \$694,400 from federal funds.

Agency Request	20.00	869,600	0	675,500	1,545,100
Governor's Recommendation	20.00	869,600	0	675,500	1,545,100

Change in Employee Compensation

Reflects the cost of a 1% salary increase for permanent and group positions.

Agency Request	0.00	98,800	0	80,900	179,700
<i>The Governor recommends a compensation increase of 1% to be distributed based on merit. No adjustment to the pay line is recommended.</i>					
Governor's Recommendation	0.00	98,800	0	80,900	179,700

27th Payroll

Reflects the cost of one additional payroll in fiscal year 2006. This happens every eleven or twelve years because there are 364 days in 26 payperiods but a year has 365.242 days.

Agency Request	0.00	347,500	0	284,300	631,800
Governor's Recommendation	0.00	347,500	0	284,300	631,800

FY 2006 Program Maintenance

Agency Request	341.33	18,804,000	529,300	16,250,600	35,583,900
Governor's Recommendation	341.33	18,646,100	529,300	16,120,700	35,296,100

Indirect Support Services

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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7. Citibank Call Center Relocation

The department contracts with JP Morgan EFS to set up and maintain electronic benefit transfer accounts for Food Stamps, cash assistance, and child support. Part of this contract includes a customer service call center, which answers an average of 1,100 calls each month. The contractor staffs these calls in India. The United States Department of Agriculture has indicated it will not fund expenses with any federal match that supports foreign outsourcing. Other benefits of moving the call center services back to the United States could be better customer service and additional job opportunities for the American economy. The department is proposing to amend the contract with JP Morgan for one year, and will provide further clarification before implementation. The contractor has stated it will take 6 to 8 months to implement once the contract amendment is approved by both parties. This request is for \$267,600 in additional operating expenditures. The federal funds will come from the Child Support Grant, Food Stamp Grant, and TANF.

Agency Request	0.00	124,700	0	142,900	267,600
Governor's Recommendation	0.00	124,700	0	142,900	267,600

14. Criminal History Checks

This request is for nine additional FTP and \$457,400 in personnel costs and \$700,900 in operating expenditures. Idaho has chosen to take part in a federally funded pilot project that will test the feasibility of requiring criminal background checks for providers and their employees with direct patient access in long-term care facilities. The pilot will include an educational component to prevent abuse and neglect by employees. The pilot will provide information for Congress to develop model legislation requiring criminal history background checks for employees working in long-term care settings. In Idaho we currently conduct criminal history background checks on many types of health care providers and employees, except those providing services to clients in long-term care settings. The grant funding will cover the providers' share of expenses for the background checks during the pilot period. The Centers for Medicare and Medicaid plans on notifying states of the grant awards in November 2004. States will be required to include specific types of long-term care providers and employees in the pilot and develop legislation or rules to support this requirement. The funding will continue through September 1, 2007.

The grant will provide funding for seven technical records specialists to operate fingerprint locations in each region of the state, and two health facility surveyors.

Agency Request	9.00	0	0	1,158,300	1,158,300
Governor's Recommendation	9.00	0	0	1,158,300	1,158,300

FY 2006 Total					
Agency Request	350.33	18,928,700	529,300	17,551,800	37,009,800
Governor's Recommendation	350.33	18,770,800	529,300	17,421,900	36,722,000

Agency Request

Change from Original App	52.50	2,441,800	28,000	(5,227,000)	(2,757,200)
% Change from Original App	17.6%	14.8%	5.6%	(22.9%)	(6.9%)

Governor's Recommendation

Change from Original App	52.50	2,283,900	28,000	(5,356,900)	(3,045,000)
% Change from Original App	17.6%	13.9%	5.6%	(23.5%)	(7.7%)